



DEPARTMENT OF THE TREASURY

Internal Revenue Service

Credit for Renewable Electricity Production and Publication of Inflation

Adjustment Factor and Reference Price for Calendar Year 2022

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of publication.

SUMMARY: The 2022 inflation adjustment factor and reference price are used in determining the availability of the credit for renewable electricity production. For calendar year 2022, the credit period for refined coal production and Indian coal production expired.

FOR FURTHER INFORMATION CONTACT: Charles Hyde, CC:PSI:6, Internal Revenue Service, 1111 Constitution Avenue NW, Washington, DC 20224, (202) 317-6853 (not a toll-free number).

SUPPLEMENTARY INFORMATION: The 2022 inflation adjustment factor and reference price apply to calendar year 2022 sales of kilowatt hours of electricity produced in the United States or a possession thereof from qualified energy resources.

Inflation Adjustment Factor: The inflation adjustment factor for calendar year 2022 for qualified energy resources is 1.8012.

Reference Price: The reference price for calendar year 2022 for facilities producing electricity from wind is 4.09 cents per kilowatt hour. The reference prices for facilities producing electricity from closed-loop biomass, open-loop biomass, geothermal energy, municipal solid waste, qualified hydropower production, and marine and hydrokinetic renewable energy have not been determined for calendar year 2022.

Phaseout Calculation: Because the 2022 reference price for electricity produced from wind (4.09 cents per kilowatt hour) does not exceed 8 cents multiplied by the

inflation adjustment factor (1.8012), the phaseout of the credit provided in section 45(b)(1) does not apply to such electricity sold during calendar year 2022. For electricity produced from closed-loop biomass, open-loop biomass, geothermal energy, municipal solid waste, qualified hydropower production, and marine and hydrokinetic renewable energy, the phaseout of the credit provided in section 45(b)(1) does not apply to such electricity sold during calendar year 2022.

Credit Amount by Qualified Energy Resource and Facility: As required by section 45(b)(2), the 1.5 cent amount in section 45(a)(1) is adjusted by multiplying such amount by the inflation adjustment factor for the calendar year in which the sale occurs. If any amount as increased under the preceding sentence is not a multiple of 0.1 cent, such amount is rounded to the nearest multiple of 0.1 cent. In the case of electricity produced in open-loop biomass facilities, landfill gas facilities, trash facilities, qualified hydropower facilities, and marine and hydrokinetic renewable energy facilities, section 45(b)(4)(A) requires the amount in effect under section 45(a)(1) (before rounding to the nearest 0.1 cent) to be reduced by one-half. Under the calculation required by section 45(b)(2), the credit for renewable electricity production for calendar year 2022 under section 45(a) is 2.7 cents per kilowatt hour on the sale of electricity produced from the qualified energy resources of wind, closed-loop biomass, and geothermal energy, and 1.4 cents per kilowatt hour on the sale of electricity produced in open-loop biomass facilities, landfill gas facilities, trash facilities, qualified hydropower facilities, and marine and hydrokinetic renewable energy facilities.

(Authority: 45(e)(2)(A) (26 U.S.C. 45(e)(2)(A)) of the Internal Revenue Code.)

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